

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6581

BILL NUMBER: HB 1726

NOTE PREPARED: Apr 7, 2009

BILL AMENDED: Feb 19, 2009

SUBJECT: Indiana Check-up Plan Benefits.

FIRST AUTHOR: Rep. Reske

FIRST SPONSOR: Sen. Simpson

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 X FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Indiana Check-up Plan to include chiropractor office services. The bill provides that the Indiana Check-up Plan may not permit treatment limitations or financial requirements on the coverage of chiropractor office services if similar limitations are not imposed on the coverage of physician office services.

Effective Date: July 1, 2009.

Explanation of State Expenditures: (Revised) The bill would add chiropractic services to the list of benefits required to be included by the Indiana Check-up Plan (ICP) in a manner and to the extent as those offered for physician office services. The Office of Medicaid Policy and Planning (OMPP) reported to the Health Finance Commission during the 2008 interim session that chiropractic services were not offered in the ICP benefit package due to federal fiscal neutrality requirements for the HIP Medicaid waiver. The fiscal impact of the requirement would depend on how the benefit is structured. The OMPP actuary has estimated a range of additional annual cost to the ICP plan of \$1.1M to \$2.6 M, depending on the limits placed on the chiropractic benefit. However, since the bill requires that chiropractic services must be offered in the manner and to the extent as those offered for physician office services, the higher end of the estimated cost range (\$2.6 M) could be the cost of adding this benefit.

Adding additional benefits along with the associated cost to the Indiana Check-up Plan would decrease the number of individuals that could ultimately be covered under the Plan since costs above the initial projections would result in a reduction in the total enrollment. Controlling program cost is also necessary in order to comply with the budget neutrality agreement with the Centers for Medicare and Medicaid Services (CMS). If the state does not meet the budget neutrality requirement, federal matching funds for the

program are jeopardized.

The provisions of the bill would also require the OMPP to prepare and submit a Medicaid waiver amendment to CMS. Preparation and submission of the waiver is considered to be administrative in nature and should be accomplished within the existing level of resources available to OMPP.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: OMPP, Family and Social Services Administration.

Local Agencies Affected:

Information Sources: OMPP.

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